

501 Pennsylvania Avenue, N.W.  
Washington, D.C. 20001

January 16, 2002

Ms. Gloria Blue  
Executive Secretary  
Trade Policy Staff Committee  
Office of the U.S. Trade Representative  
600 17th Street, NW  
Washington, D.C. 20508

Re: Request for Exclusions (Supplemental Information)  
Investigation No. TA-201-73 Certain Steel Products

Dear Ms. Blue,

The Trade Policy Staff Committee will be aware of the request filed by AltaSteel of Edmonton, Alberta on November 16, 2001<sup>1</sup> that "heat treated grinding rod" be excluded from any import relief action which might be taken further to the findings and recommendations of the U.S. International Trade Commission in the above entitled investigation. The Committee will also be aware that the request, which was based on AltaSteel's position as the only producer in North American of "heat treated grinding rod", was formally supported by U.S. suppliers and customers of AltaSteel.

In a letter submitted to the Committee on December 12, 2001, Collier Shannon Scott, on behalf of Co-Steel Raritan, Inc. and GS Industries, opposed the request by AltaSteel for the exclusion of "heat treatment grinding rod" from import relief action. In its letter, Collier Shannon Scott is asserted that there is significant production of the product in the United States, essentially by GS Industries, and that the domestic industry, therefore, has the capacity to meet the demand in the U.S. market for this product. AltaSteel and the Government of Canada disagree with this contention and would note that GS Industries produces wire rods but not bars, the latter being the product at issue. GS Industries closed the only mill which could have produced this product early last year.

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<sup>1</sup>Additional information was provided to the Committee in a letter dated November 20, 2001

In addition, the Government of Canada would point out that the December 12, 2001 letter acknowledges that "short supply" situations may develop if import action is taken and recommends that a "short supply" provision be included if import relief action is taken. In Canada's view, this proposal is further evidence that the Collier Shannon Scott letter of December 12, 2001 does not substantiate in any way its request that the exclusion request by AltaSteel be denied.

In its letter of November 12, 2001, AltaSteel notes that it supplies approximately 95 percent of the North American demand for this product, a fact that is unchallenged by Collier Shannon Scott in its letter of December 12, 2001. It is Canada's view that AltaSteel's submission to the Committee is sufficient to support the exclusion of "heat treated grinding rod" from any import relief that may be taken and that there has not been any evidence put before the Committee that would challenge that position.

Yours sincerely

Paul R. Bailey  
Counsellor  
Economic and Trade Policy